

PURPOSE

To assist low-income homeowners within designated areas of the city with the rehabilitation of their existing home.
(see map on back)

SOURCE OF FUNDS

- Home Investment Partnerships ("HOME") or Bond funds

ELIGIBLE PROPERTIES

- Property must be located within the City of Raleigh redevelopment areas or low-income census tract areas (map available upon request).
- Property shall not be located within a right-of-way of any future street or highway or any other public improvements that are being planned within a reasonably foreseeable time frame.
- Property must be either:
A single-family home, individual townhome unit, or individual condo unit. In the case of condo and townhome units the rehabilitation would be for the borrower's unit only and the rest of the structure must meet required property standards.

OR

- A duplex (2 single family units within one structure), triplex (3 single family units within one structure), or quadplex (4 single family units within one structure) The complete multi-family structure must be purchased by the borrower and non-owner occupied units must be rented to qualified moderate to low income individuals and families at affordable prices. (For guidelines contact the Community Development office)
- Property must have one or more substandard conditions suitable for rehabilitation. (A property may be considered not suitable for rehabilitation if it is dilapidated or deteriorated beyond feasible economic repair.)
- Property must be the owner's principal residence.
- Property must be presently occupied by an individual or family meeting the program income requirements (see Maximum Qualifying Income limits below).

ELIGIBLE ACTIVITIES – Funds can be used to finance the following activities:

- The costs of labor and materials necessary to make the repairs to meet required property standards (i.e. the alteration, improvement or modification of an existing structure.
Rehabilitation may include adding rooms outside the existing walls of a structure, but adding a housing unit is considered new construction).
- The associated soft costs (i.e. closing costs, appraisals, fees, etc.)

MAXIMUM QUALIFYING INCOME*:

Total household income is calculated by adding all of the gross income for every person 18 years of age and older who will be living in the home. *Maximum income amounts change each year, the chart below is for 2012

number of people in the household	total household income	number of people in the household	total household income
1 person	\$28,000	4 people	\$39,950
2 people	\$32,000	5 people	\$43,150
3 people	\$36,000	6 people	\$46,350

LOAN DESCRIPTION

If the cost of rehabilitation is \$10,000 or less, a loan may be offered as follows:

- Loan Amount: \$1,000 Up to \$10,000
- Deferred, non-interest bearing, discounting loan –no payments are ever made if the following requirements are met:
5 years of continuous owner occupancy after repairs are made
Taxes and insurance are kept current
- Loan discounts (principal is reduced) by 20% each year for five years.
During the 5 years, if the home is not continuously owner occupied or the owner fails to meet the taxes and insurance requirements, the loan becomes immediately due and payable at the discounted value on the day the loan condition(s) were violated.

LOAN DESCRIPTION (continued)

If the cost of rehabilitation exceeds \$10,000, a loan may be offered as follows

Under 55 years of age:

- Loan amount: cost of rehabilitation exceeding \$10,000 up to \$45,000 or 100% of the available equity, whichever is less
- Deferred, non-interest bearing, discounting loan –no payments are ever made if the following requirements are met:
15 years of continuous owner occupancy after repairs are made
Taxes and insurance are kept current
- Deferred for 10 years
- Discounts (principal is reduced) by 20% each year thereafter.

During the 15 years, if the home is not continuously owner occupied or the owner fails to meet the taxes and insurance requirements, the loan becomes immediately due and payable at the discounted value on the day the loan condition(s) were violated.

Loan is assumable if heir to property occupies the property and meets qualification criteria

55 years of age and older or disabled:

- Loan amount: cost of rehabilitation exceeding \$10,000 up to \$45,000 or 100% of the available equity, whichever is less
- Deferred, non-interest bearing, discounting loan –no payments are ever made if the following requirements are met:
15 years of continuous owner occupancy after repairs are made
Taxes and insurance are kept current
- Deferred for 5 years
- Discounts (principal is reduced) by 10% each year after the fifth year over the next 10 years.

During the 15 years, if the home is not continuously owner occupied or the owner fails to meet the taxes and insurance requirements, the loan becomes immediately due and payable at the discounted value on the day the loan condition(s) were violated.

- Loan is assumable if heir to property occupies the property and meets qualification criteria
- Other conditions and exceptions may apply.

ADMINISTRATION

To apply for a loan, you may call 919-996-4330, TTY/TDD: (919) 890-3107,
or visit our office at 310 West Martin Street, Room 101.

